



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

092036

40273

B-179573

December 13, 1973

Ms. Janet M. Bledsoe
Authorized Certifying Officer
Drug Enforcement Administration
United States Department of Justice

Dear Ms. Bledsoe:

This refers further to your letter of August 23, 1973, by which you requested a decision as to whether certain claims for reimbursement of expenses incurred by Mr. Douglas A. Ross incident to the purchase of a new residence on transfer of station may be approved for payment. The expenses in question are of the kind authorized for reimbursement under subsection 5724a(a)(4) of title 5, United States Code, and the implementing regulation, section 4, Office of Management and Budget (OMB) Circular No. A-56.

The specific items claimed, supported by an itemized statement of Mr. Ross' attorney, are the following:

- | | |
|--|------|
| (1) Preparation of mortgage | \$50 |
| (2) Ordering and examination of title policies | \$50 |
| (3) Examination and reporting of title | \$55 |
| (4) Judgment searches and municipal lien reports | \$21 |

Item number (1), Preparation of mortgage, is allowable under subsection 4.2c of Circular No. A-56, supra, since this was the preparation of an instrument required to complete the transaction.

Item number (2), "Ordering and examination of title policies" (\$50), is listed on the attorney's bill as a fee for professional services and item number (3), "Examination and reporting of title" (\$55), is listed thereon under the caption "Disbursements."

The enclosures to your letter include a copy of a policy of title insurance of which the Citizens First National Bank of Ridgewood, mortgagee of the property, is the beneficiary. Subsection 4.2d of Circular No. A-56, supra, authorizes, inter alia, reimbursement for

[Claim for Real Estate Expenses]

BEST DOCUMENT AVAILABLE

716330

B-179573

"The cost of a mortgage title policy paid for by the employee on a residence purchased by him * * *," The policy purchased in this case appears to be of the nature that our decisions have held to be covered by the above-quoted language, see B-164867, September 4, 1968, and B-176663, February 20, 1973, copies enclosed.

We have been advised by a member of the law firm which presented the itemization of fees that the \$50 fee for "Ordering and examination of search" and the \$55 item for "Examination and reporting of title- N.J. Realty Title Insurance" are related to the purchase of the title insurance policy. This item represents the cost of the service rendered by the title insurance company for the title search on which insurance is based. The \$50 fee for professional services represents the services of the attorney who reviewed the title insurance binder to determine its accuracy with respect to all aspects of the transaction.

With respect to item number (4), "Judgment searches and municipal lien reports" (\$21), listed on the attorney's bill as a disbursement, we were advised that this represents a separate charge by the title insurance company for these elements of its entire title search.

Since each of the fees described in items 2, 3, and 4 is a part of the cost of purchasing the mortgage title insurance policy they are allowable under the provision of subsection 4.2d, supra.

In reviewing the memorandum of August 29, 1972, dealing with the previous voucher submitted by Mr. Ross, we note two items which we believe should be called to your attention.

Among the items disallowed administratively is an item of \$50 for the preparation of a promissory note. This item was disallowed as being excluded by subsection 4.2d of Circular No. A-56 by reason of being a finance charge under provision of Public Law 90-321, May 29, 1968. Section 106(e) of that act provides that fees for the preparation of a deed, settlement statement, or other documents are not included in the computation of the finance charge. Therefore, Mr. Ross is entitled to reimbursement for that item.

Among the items allowed, however, we note an amount of \$40 included in the sum of \$65 for "Attorney's fee" which appears on the attorney's bill, opposite the caption "Attendance at and handling of closing." We believe the amount allowed for this \$40 item should be offset from the

B-179573

reimbursement now allowed since our decisions have held that an attorney fee for representation at closing is not subject to reimbursement. See B-173775, September 17, 1971.

The voucher, returned herewith, may be certified for payment in accordance with the foregoing.

Sincerely yours,

Paul G. Dambling

For the Comptroller General
of the United States

BEST DOCUMENT AVAILABLE